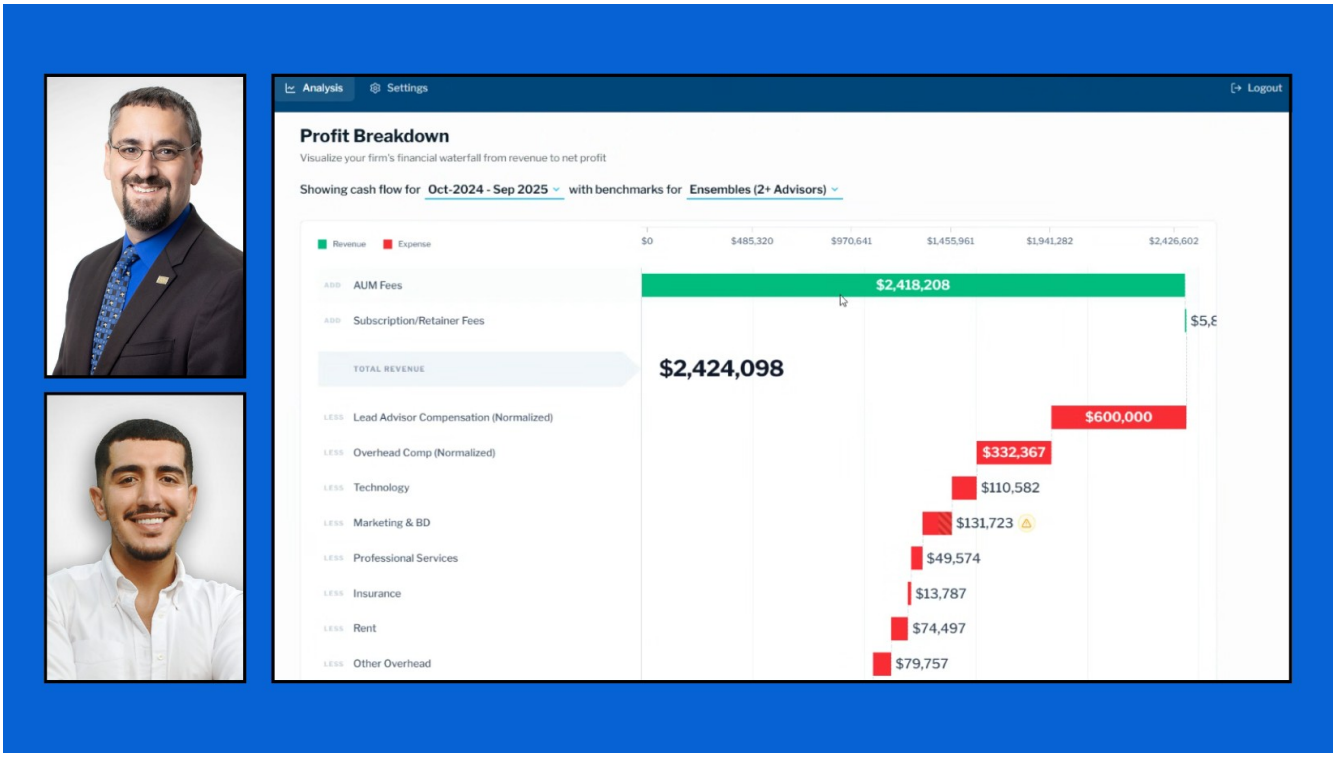
https://www.financial-planning.com/news/michael-kitces-new-advisoreconomics-provides-benchmarking



Michael Kitces, top left, and Abdennour Aissaoui, bottom left, co-founded the new business intelligence platform AdvisorEconomics.
Courtesy photos

Michael Kitces' new AdvisorEconomics brings benchmarking to firms
By Rob Burgess
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In the past, annual benchmarking studies offered advisors insights into the inner workings of similar firms, but did so in an aggregated fashion. This meant that while the data might be somewhat useful for a short while, it was quickly outdated.

What wasn't available was real-time data and personalized metrics.

Seeking to address this concern, industry leader Michael Kitces has co-founded a new benchmarking platform for advisory firms, AdvisorEconomics.

Co-founded with Abdennour Aissaoui, the business intelligence service currently works with owners who have at least one year of QuickBooks data and generate between $300,000 and $5 million in annual revenue. Current pricing is $29 per month.

How the AdvisorEconomics platform works

Kitces told Financial Planning that though advisors have had various forms of benchmarking surveys for years, historically, they were mostly exercises in filling out lengthy spreadsheets.

"You're trying to translate your financial information into a standard format to try to get some understanding of how your firm is doing compared to others like you, which itself is a little bit challenging," he said.

Kitces said the opportunity he saw was to do this with more modern technology.

"We don't have to do this with spreadsheets," he said. "We can do it with software."

Using key performance indicators (KPIs), the goal of the platform, Kitces said, is to use a large sample size of advisors to help firms answer questions, including: if it's the right time to hire, if they're spending too much or too little on technology and what other similarly-sized firms spend on marketing, among others.

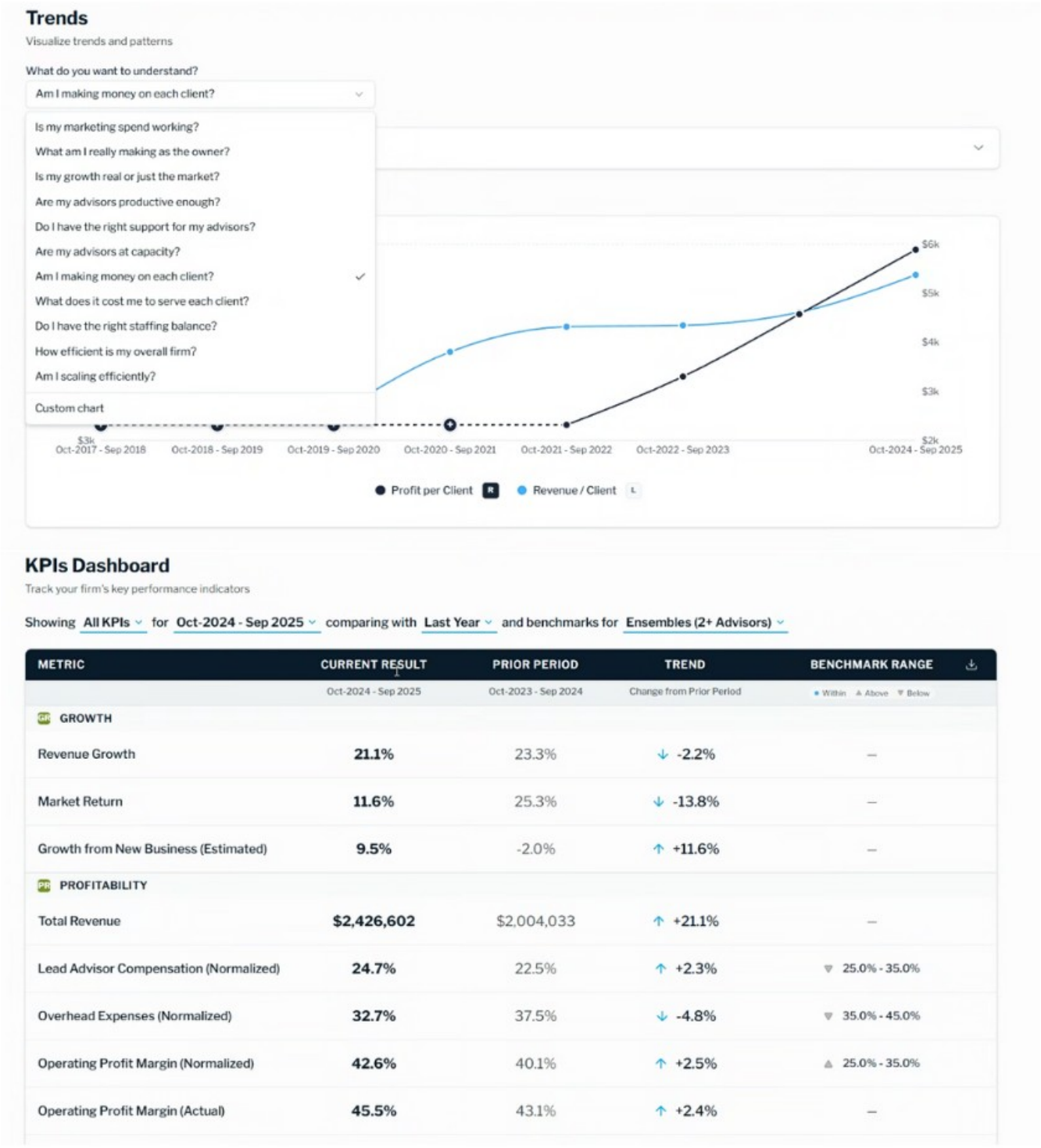
"We'll be able to answer all those questions as we build and scale the platform," he said.

Kitces said core metrics that crop up commonly for advisory firms around hiring and productivity include revenue per employee, revenue per staff member and clients per advisor.

"These are all metrics where you find advisors often have some familiarity," he said. "But they don't necessarily know what a normal number is."

Aissaoui said that since they began piloting the software in September 2025, the company has over 44 firms using the service.

"We're seeing a pattern here where the owner of the firm already knows what is the best thing to do with their business, to move the needle," he said. "And when they come and see us, it's like, 'You're just giving me confidence to go on with this decision without a doubt.'"


Trends
Visualize trends and patterns
What do you want to understand?
Am I making money on each client?
Is my marketing spend working?
What am I really making as the owner?
Is my growth real or just the market?
Are my advisors productive enough?
Do I have the right support for my advisors?
Are my advisors at capacity?
Am I making money on each client?
What does it cost me to serve each client?
Do I have the right staffing balance?
How efficient is my overall firm?
Am I scaling efficiently?
Custom chart
$6k
$5k
$4k
$3k
$2k
$3k
Oct-2017 - Sep 2018
Oct-2018 - Sep 2019
Oct-2019 - Sep 2020
Oct-2020 - Sep 2021
Oct-2021 - Sep 2022
Oct-2022 - Sep 2023
Oct-2024 - Sep 2025
Profit per Client
Revenue / Client
KPIs Dashboard
Track your firm's key performance indicators
Showing All KPIs for Oct-2024 - Sep 2025 comparing with Last Year and benchmarks for Ensembles (2+ Advisors)
METRIC
CURRENT RESULT
Oct-2024 - Sep 2025
PRIOR PERIOD
Oct-2023 - Sep 2024
TREND
Change from Prior Period
BENCHMARK RANGE
Within Above Below
GROWTH
Revenue Growth 21.1% 23.3% -2.2% –
Market Return 11.6% 25.3% -13.8% –
Growth from New Business (Estimated) 9.5% -2.0% +11.6% –
PROFITABILITY
Total Revenue $2,426,602 $2,004,033 +21.1% –
Lead Advisor Compensation (Normalized) 24.7% 22.5% +2.3% 25.0% - 35.0%
Overhead Expenses (Normalized) 32.7% 37.5% -4.8% 35.0% - 45.0%
Operating Profit Margin (Normalized) 42.6% 40.1% +2.5% 25.0% - 35.0%
Operating Profit Margin (Actual) 45.5% 43.1% +2.4% –

The AdvisorEconomics platform uses several key performance indicators to give firm owners insights into how to best manage their talent and resources. *Courtesy photos*

Competitors in the market

In terms of competition, Aissaoui said Vitals AI occupies a similar space in the

market, but not exactly.

"They go more on, 'Let's make sense of your CRM and your portfolio management system data,' and we're more looking at accounting data," he said.

William Trout, director of securities and investments at technology data firm Datos Insights, said AdvisorEconomics appears to address a genuine gap in the RIA market. While custodians like Schwab and Fidelity offer comprehensive benchmarking studies, these typically require participation in annual surveys and provide aggregate reports rather than real-time, personalized dashboards, he said.

"Most RIA owners rely on QuickBooks reports or custom spreadsheets that lack standardized definitions and peer comparisons," he said. "This is exactly the problem AdvisorEconomics solves by automating KPI calculation with built-in benchmarks."

The competitive landscape is very thin for this specific niche, said Trout. Practice management consultants offer custom analysis, but at significantly higher price points, he said.

"This positions AdvisorEconomics more as a complement to, rather than replacement for, existing tools," he said.

The risk with any KPI dashboard is focusing on metrics that are easy to measure rather than meaningful, said Trout.

"But Kitces' methodology, refined over years of RIA research and writing, likely addresses this concern," he said. "The real value proposition seems to be standardization: ensuring RIA owners compare apples to apples when benchmarking against peers, since definitions of basic metrics like 'profit' can vary wildly across firms."